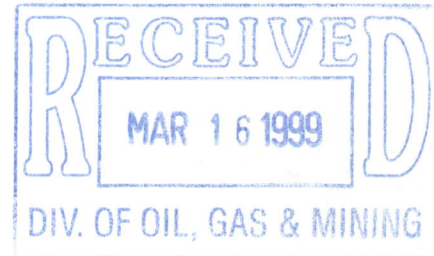




M/021/004

March 12, 1999

Mr. D. Wayne Hedberg, Permit Supervisor
State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84180-1203




Re: Reclamation Surety for the Escalante Silver Mine M/021/004 Iron County,
Utah

Dear Mr. Hedberg:

On December 21, 1998 I wrote UDOGM requesting a reduction in bonding for Hecla Mining Company's Escalante property. At the time we expected to have the property sold by January 1999. Due to unexpected delays, the property was finally transferred to the new owner on March 8, 1999. Enclosed you will please find the December letter as well as the Quitclaim Deed transferring the property to the new owner. The post mining use will now be under Dixie Cable Services management.

As stated in our December 21st letter, Hecla Mining Company is requesting a reduction in the amount of bonding required for the property. As indicated, many of the previous requirements have been completed or, because of the industrial plan, items will be needed for the future use such as the buildings, tanks, etc. Because most of the structures will be utilized in the post-mining activities we are requesting a bond reduction from \$389,300 to \$20,282 as indicated in the original letter. Thank you for your consideration of this request.

If you have any questions or need more information please contact me at the Hecla corporate office.

Respectfully,

David O. Suhr
Idle Properties Mgr.

Enc.

